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HSBC Holdings plc

Overseas Regulatory Announcement

The attached announcement has been released to the other stock exchanges on which HSBC Holdings plc is listed.

The Board of Directors of HSBC Holdings plc as at the date of this announcement are: Douglas Flint, Stuart Gulliver, Phillip Ameen[†], Kathleen Casey[†], Safra Catz[†], Laura Cha[†], Lord Evans of Weardale[†], Joachim Faber[†], Rona Fairhead[†], Sam Laidlaw[†], Irene Lee[†], John Lipsky[†], Rachel Lomax[†], Iain Mackay, Heidi Miller[†], Marc Moses, Sir Simon Robertson[†], Jonathan Symonds[†] and Pauline van der Meer Mohr[†].

[†] Independent non-executive Director

Hong Kong Stock Code: 5

HSBC Holdings plc

Registered Office and Group Head Office:

8 Canada Square, London E14 5HQ, United Kingdom

Web: www.hsbc.com

Incorporated in England with limited liability. Registered in England: number 617987



2 November 2015

**HSBC HOLDINGS PLC
THIRD QUARTER 2015 EARNINGS RELEASE
AUDIO WEBCAST AND CONFERENCE CALL**

There will be an audio webcast presentation and conference call today for investors and analysts. The speakers will be: Douglas Flint, Group Chairman; Stuart Gulliver, Group Chief Executive; and Iain Mackay, Group Finance Director.

A copy of the presentation to investors and analysts is attached and is also available to view and download at <http://www.hsbc.com/investor-relations>. Full details of how to access the conference call appear below and details of how to access the webcast can also be found at: <http://www.hsbc.com/investor-relations>.

Time: 03.30 (in New York); 08.30 (in London); and 16.30 (in Hong Kong).

Conference call access numbers:

Restrictions may exist when accessing free phone/toll-free numbers using a mobile telephone.

Passcode: HSBC

| | Toll | Toll-free |
|----------------------|---------------------|------------------|
| UK | 01452 587606 | 0808 238 0228 |
| US | 1 917 677 7534 | 1 866 220 1429 |
| Hong Kong | 3070 4996 | 800 905 704 |
| International | +44 (0) 1452 587606 | |

Replay access details: *Available until Wednesday, 2 December 2015, 12.00pm GMT*

Passcode: 49145123

| | Toll | Toll-free |
|----------------------|---------------------|------------------|
| UK | 0844 338 6600 | 0800 953 1533 |
| US | 1 631 510 7499 | 1 866 247 4222 |
| Hong Kong | 5808 5558 | 800 901 393 |
| International | +44 (0) 1452 550000 | |

Note to editors:

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.

ends/all



Actions to capture value from our global presence in a changed world

- 1** Reduce Group RWA by at least 25% and re-deploy towards higher performing businesses; return GB&M to Group target profitability
- 2** Sell operations in Turkey and Brazil; continued application of six filter process
- 3** Rebuild NAFTA profitability
- 4** Set up UK Ring-Fenced Bank
- 5** Realise USD4.5-5.0bn cost savings, deliver an exit rate in 2017 equal to 2014 operating expenses
- 6** Deliver growth above GDP from international network
- 7** Capture growth opportunities in Asia: Pearl River Delta, ASEAN, Asset Management, Insurance
- 8** Extend leadership in RMB internationalisation
- 9** Complete Global Standards implementation
- 10** Complete Headquarters review by year end

Highlights

Key messages

Third quarter revenue down; progress on costs

Quarterly performance (vs. 3Q14)

- Reported PBT up due to net favourable movement in significant items
- Adjusted revenue down in Principal RBWM and GB&M
- Adjusted costs up in regulatory programmes and compliance
- Lower adjusted costs vs. 2Q15, down 4%; traction on cost programmes
- Higher LICs in North America and MENA; lower LICs in Asia with no significant impact from China slowdown
- RWA initiatives resulting in USD32bn reduction in 3Q15

| | Adjusted (USDm) | | Reported (USDm) | |
|-----------------|-----------------|------------|-----------------|------------|
| | 3Q15 | vs. 3Q14 % | 3Q15 | vs. 3Q14 % |
| Revenue | 14,044 | (4)% | 15,085 | (4)% |
| LICs | (638) | (15)% | (638) | 16% |
| Operating costs | (8,583) | (2)% | (9,039) | 19% |
| Associates | 689 | 3% | 689 | 1% |
| PBT | 5,512 | (14)% | 6,097 | 32% |

Year-to-date performance

- Reported PBT up driven by a net favourable movement in significant items
- Adjusted revenue up driven by client-facing GB&M, CMB and Principal RBWM
- Adjusted costs up reflecting investment in growth, and regulatory programmes and compliance costs
- RWA initiatives resulting in USD82bn reduction
- Strong capital base with a common equity tier 1 ratio of 11.8% (end point basis)¹

| | 9M15 | | vs. 9M14 % | |
|-----------------|----------|------------|------------|------------|
| | 9M15 | vs. 9M14 % | 9M15 | vs. 9M14 % |
| Revenue | 44,816 | 2% | 48,028 | 2% |
| LICs | (2,077) | 3% | (2,077) | 20% |
| Operating costs | (26,225) | (6)% | (28,226) | 4% |
| Associates | 2,000 | 3% | 2,000 | 2% |
| PBT | 18,514 | (3)% | 19,725 | 16% |

For footnotes, see slide 19

2015 Financial Highlights

Financial highlights

| | 3Q14 | 2Q15 | 3Q15 | 3Q15 vs 3Q14 | 3Q15 vs 2Q15 | 9M14 | 9M15 | 9M15 vs 9M14 |
|---------------------|------|------|------|--------------|--------------|------|------|--------------|
| Reported PBT, USDbn | 4.6 | 6.6 | 6.1 | 1.5 | (0.5) | 16.9 | 19.7 | 2.8 |
| Adjusted PBT, USDbn | 6.4 | 6.0 | 5.5 | (0.9) | (0.5) | 19.1 | 18.5 | (0.6) |

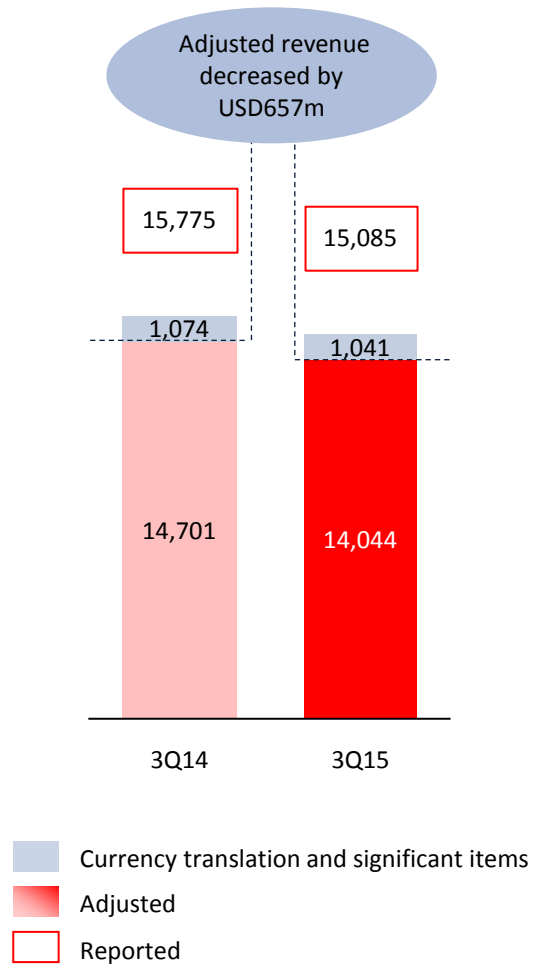
| | 9M14 | 9M15 | Target (if applicable) |
|--|-------|--------|------------------------|
| Return on average ordinary shareholders' equity ² | 9.5% | 10.7% | >10% |
| Return on average tangible equity ² | 11.1% | 12.1% | n/a |
| Jaws (adjusted) | - | (4.1)% | Positive |

| | Dec-14 | Jun-15 | Sep-15 |
|---|--------|--------|--------|
| Advances to deposits ratio | 72.2% | 71.4% | 70.8% |
| Common equity tier 1 ratio (end point basis) ¹ | 11.1% | 11.6% | 11.8% |

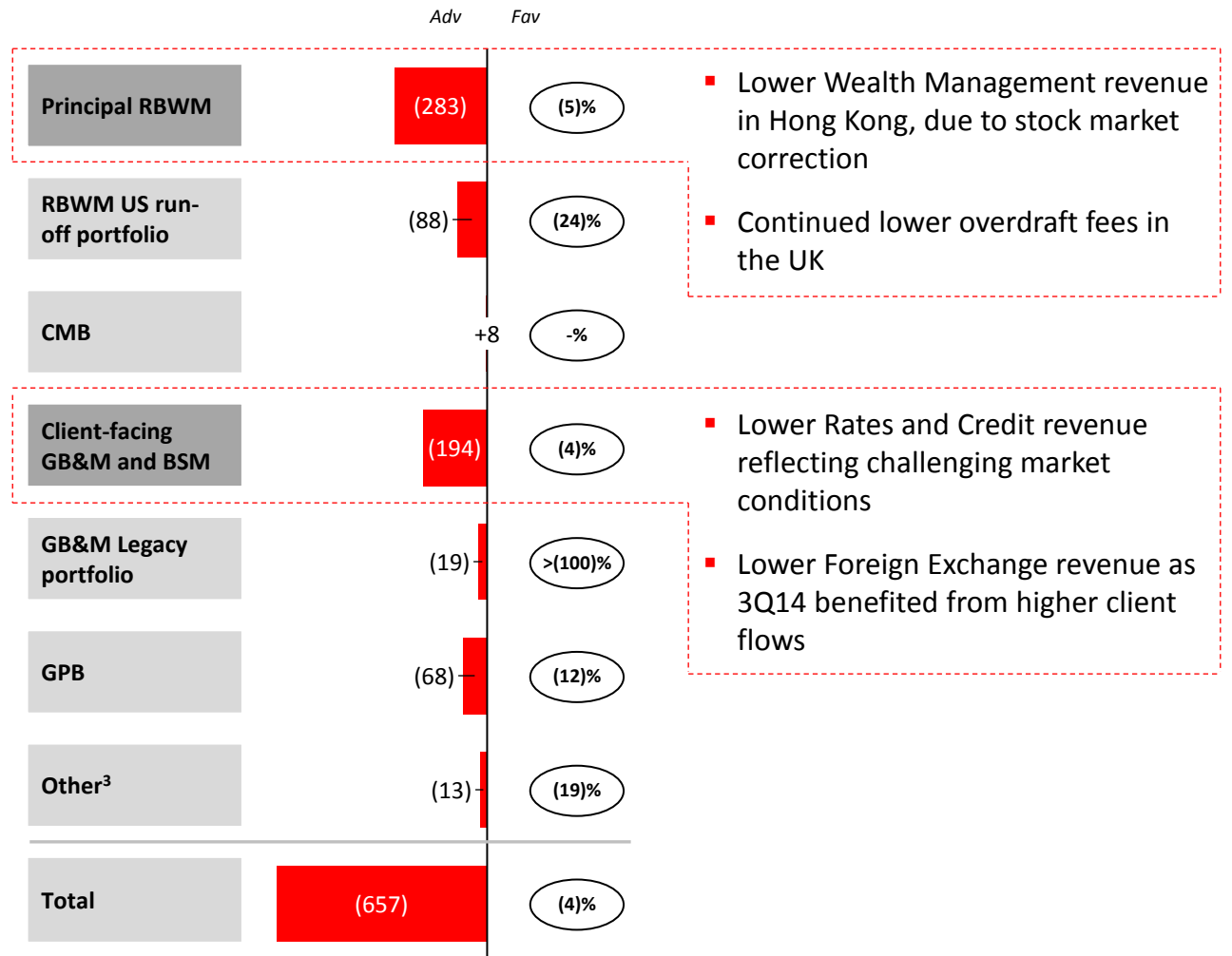
3Q15 Revenue – quarterly performance

Lower revenue, notably from Wealth Management and Markets

Reported and adjusted revenue (USDm)



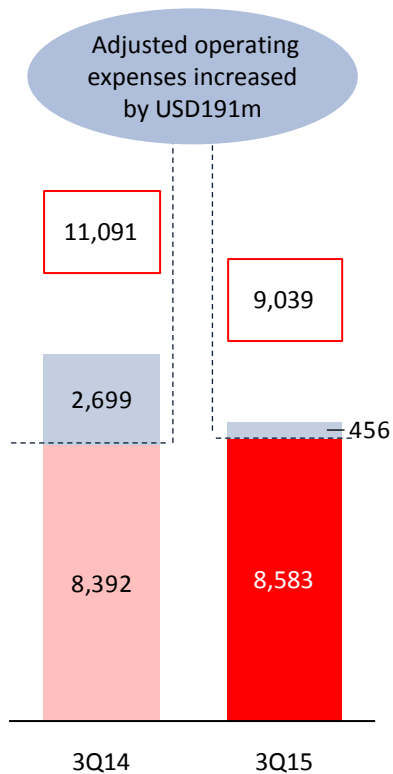
Adjusted revenue by global business 3Q15 vs. 3Q14 (USDm)



3Q15 Operating expenses – quarterly performance

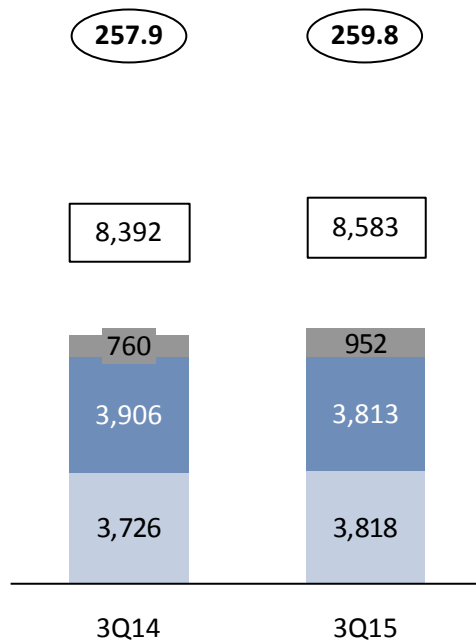
Adjusted costs up in regulatory programmes and compliance

Reported and adjusted operating expenses (USDm)



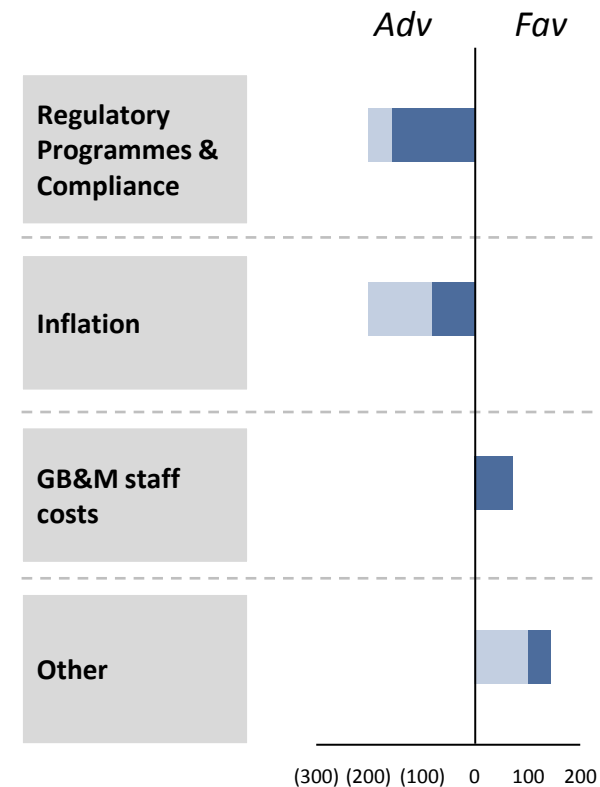
- Currency translation and significant items
- Adjusted
- Reported

Adjusted costs by type (USDm)



- Change-the-bank
- Run-the-bank – front office
- Run-the-bank – back office
- Adjusted
- X FTE 000s

Adjusted costs drivers 3Q15 vs. 3Q14 (USDm)

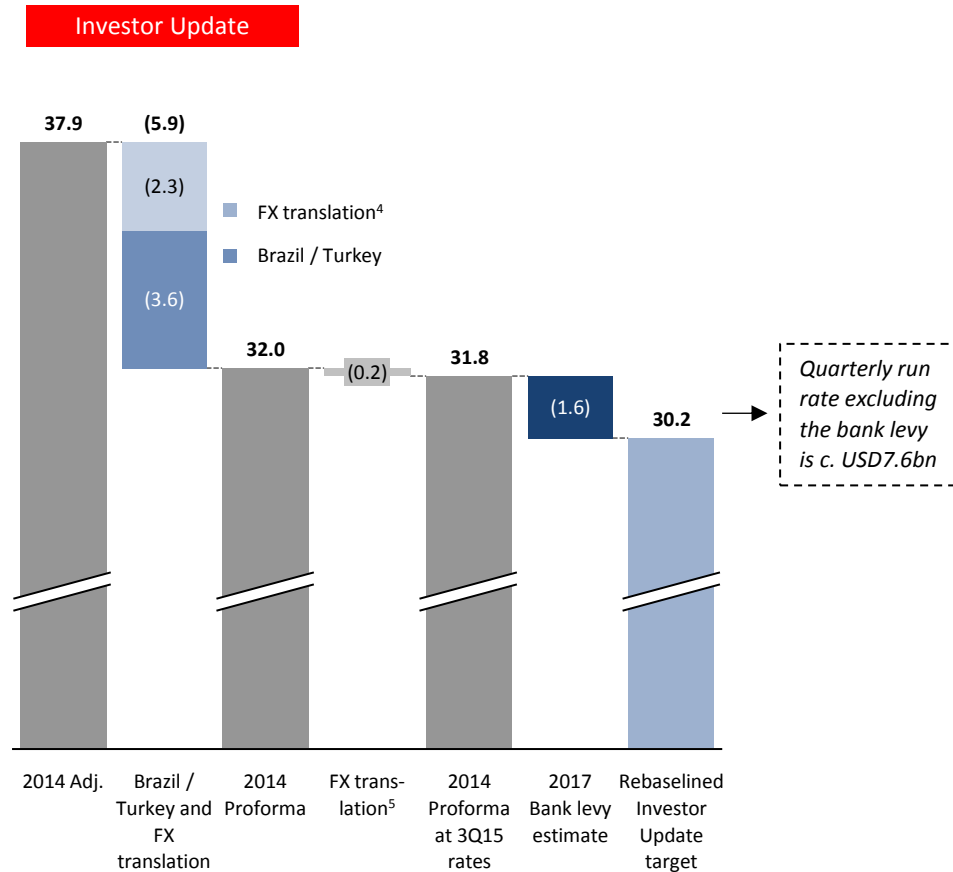


- Non-staff costs
- Staff costs

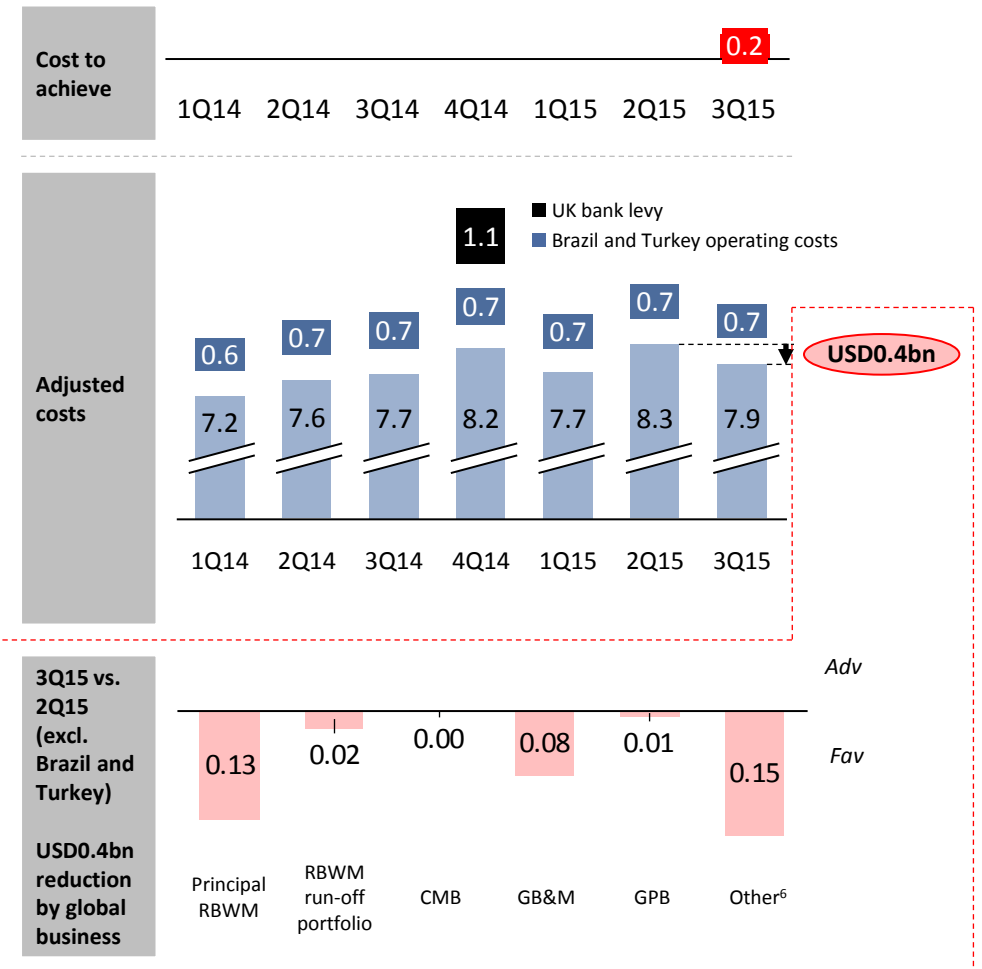
3Q15 Operating expenses – quarterly performance

Lower adjusted costs vs. 2Q15; traction on cost programmes

Investor Update 2015 target re-baselined (USDbn)



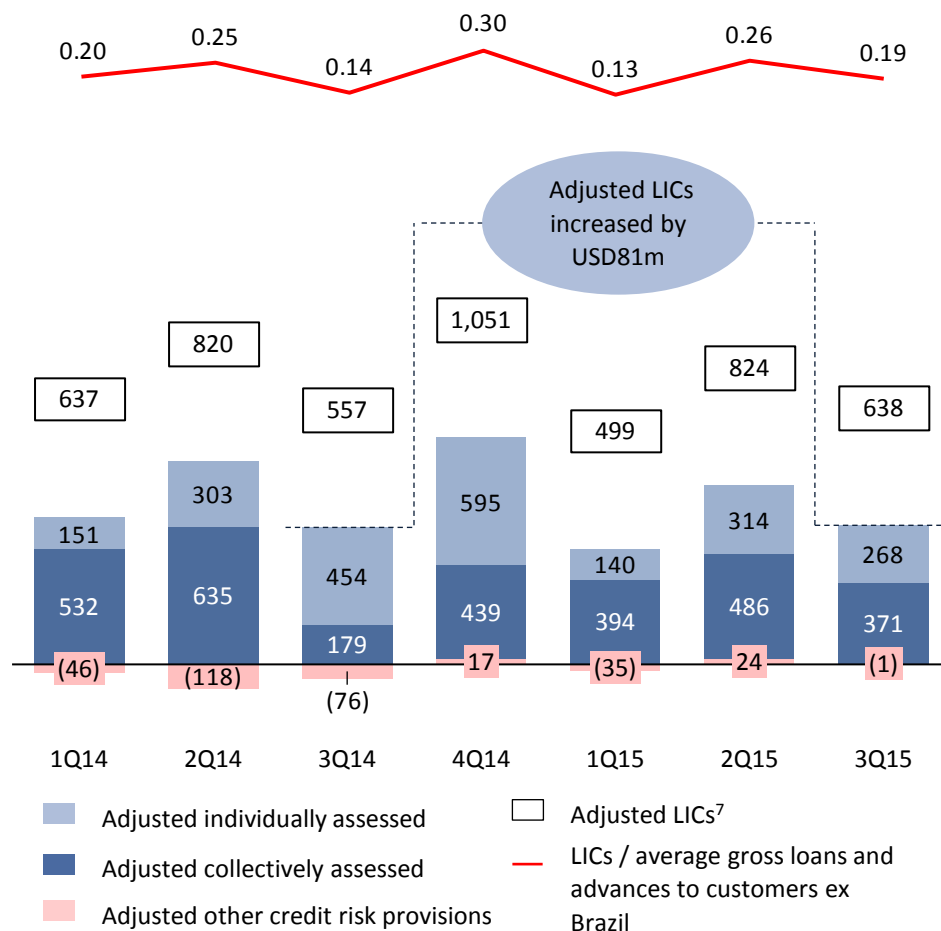
Adjusted operating expenses (USDbn)



3Q15 Loan impairment charges – quarterly performance

LICS remain low reflecting strategic actions to manage risk within our credit portfolio

Adjusted loan impairment charges and other credit risk provisions (LICs USDm)



LICs / average gross loans and advances to customers (%)

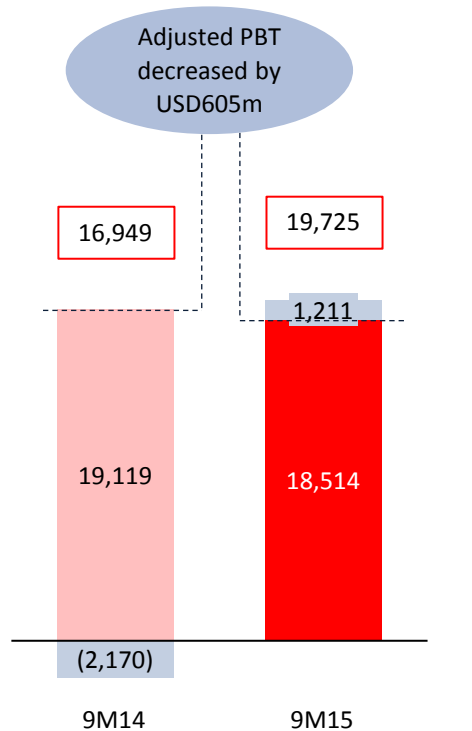
| Regions % | 3Q14 | 3Q15 |
|------------------------------|-------------|-------------|
| Europe | 0.09 | 0.06 |
| Asia | 0.19 | 0.13 |
| Middle East and North Africa | 0.29 | 1.28 |
| North America | (0.19) | 0.19 |
| Latin America (ex Brazil) | 3.00 | 2.17 |
| Total (ex Brazil) | 0.14 | 0.19 |

| Global businesses (%) | 3Q14 | 3Q15 |
|---------------------------|-------------|-------------|
| Principal RBWM | 0.31 | 0.36 |
| RBWM US run-off portfolio | (1.85) | (0.21) |
| CMB | 0.39 | 0.27 |
| GB&M | (0.05) | (0.09) |
| GPB | (0.28) | 0.04 |
| Other | (0.04) | 0.67 |
| Total (ex Brazil) | 0.14 | 0.19 |

9M15 Profit before tax

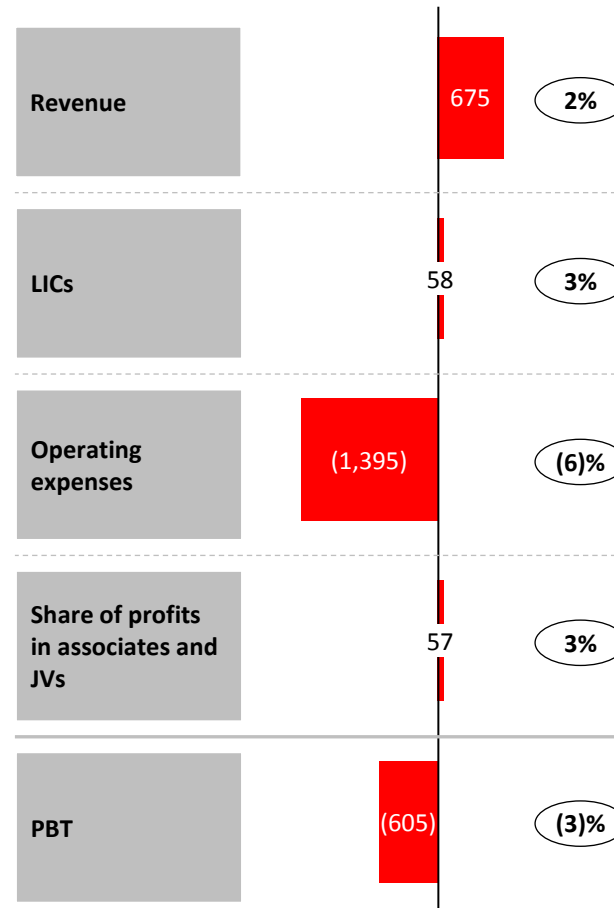
Revenue growth more than offset by investment in growth initiatives and regulatory programmes and compliance

Reported and adjusted PBT (USDm)

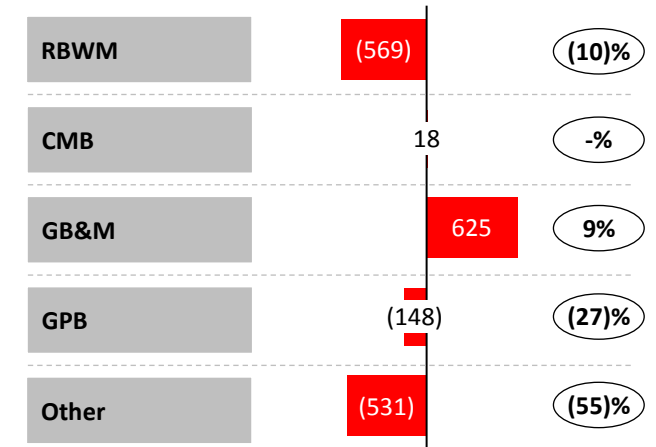


- Currency translation and significant items
- Adjusted
- Reported

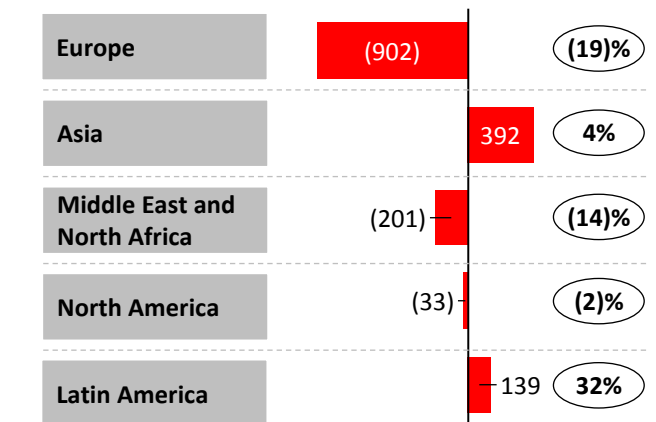
Adjusted PBT growth by account line (USDm)



Adjusted PBT growth by global business (USDm)



Adjusted PBT growth by region (USDm)



Capital Adequacy

Strong capital base with a common equity tier 1 ratio of 11.8%

CRD IV End-point¹

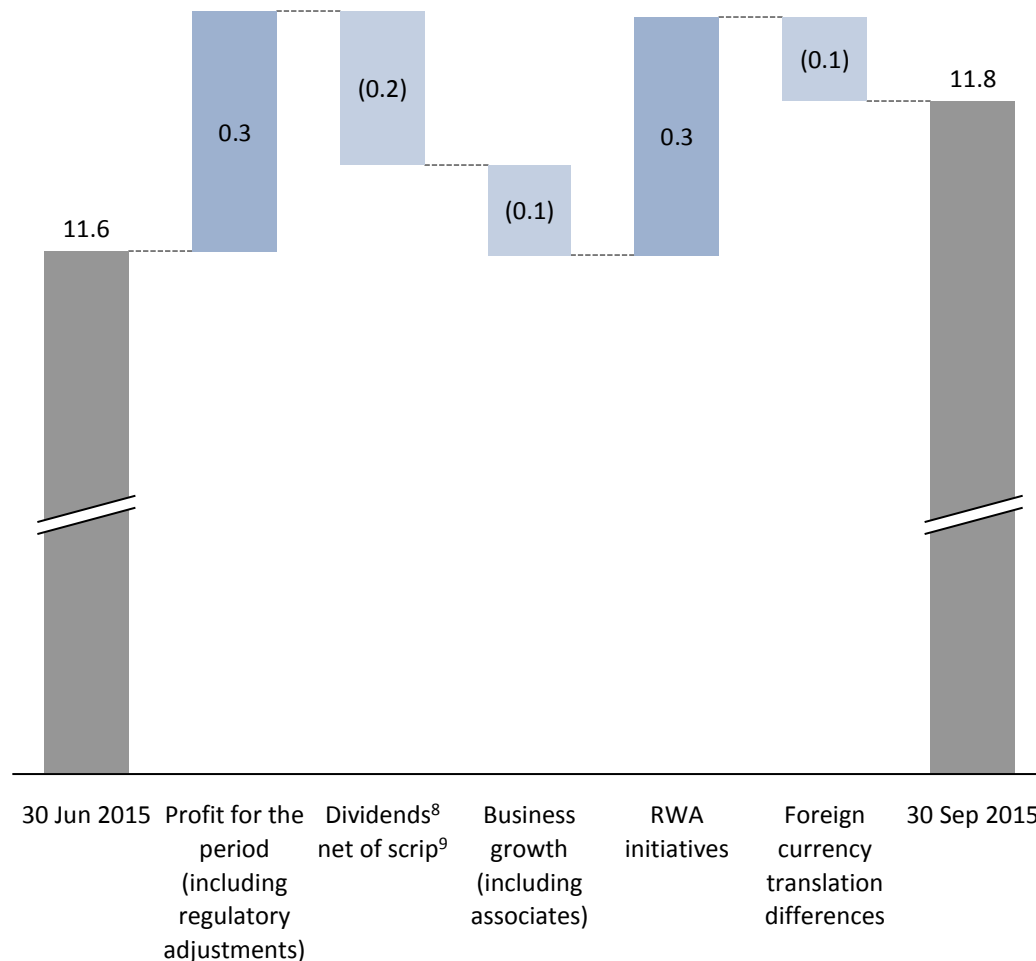
Movement in common equity tier 1 capital (USDbn)

| | |
|--|--------------|
| At 30 June 2015 | 138.1 |
| Capital generation from profit | 1.9 |
| Profit for the period (including regulatory adjustments) | 3.8 |
| Dividends ⁸ net of scrip ⁹ | (1.9) |
| Foreign currency translation differences | (4.2) |
| Other movements | (0.5) |
| At 30 September 2015 | 135.3 |

Movement in RWAs (USDbn)

| | |
|--|----------------|
| At 30 June 2015 | 1,193.2 |
| Business growth (including associates) | 9.6 |
| RWA initiatives | (32.4) |
| Foreign currency translation differences | (27.9) |
| Other movements | 1.0 |
| At 30 September 2015 | 1,143.5 |

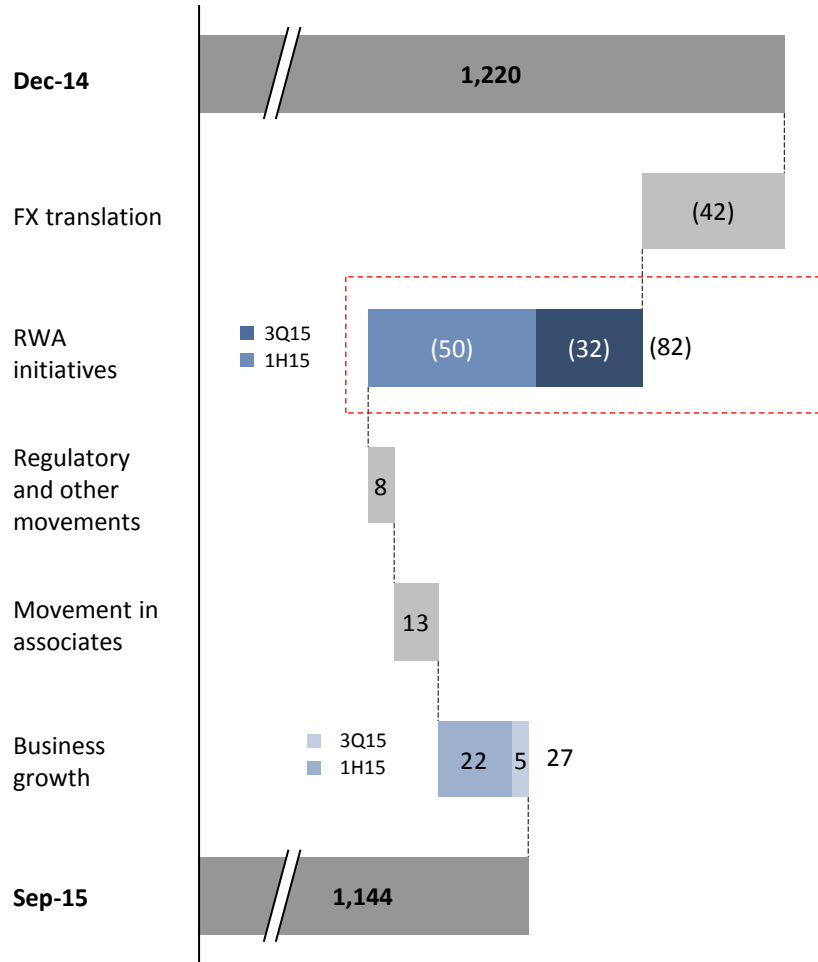
Common equity tier 1 ratio movement (%)



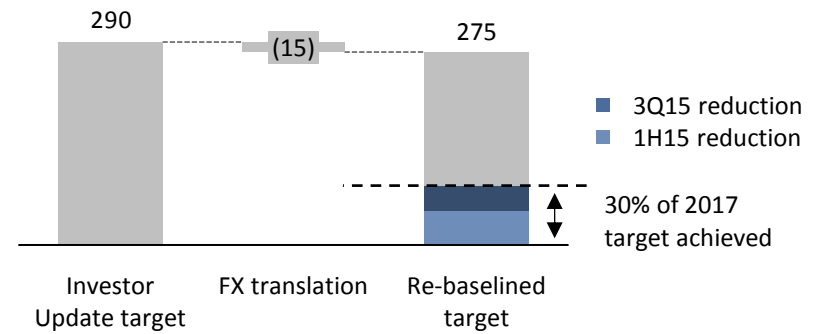
RWAs

Continued reduction in RWAs from a series of initiatives

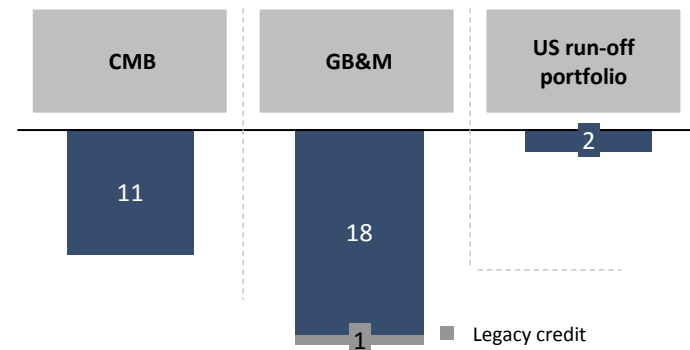
Key movements in Group RWA (USDbn)



RWA initiatives YTD vs. Investor Update target



3Q15 QTD RWA initiatives

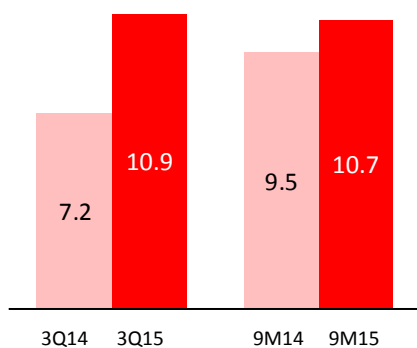


USD32bn reduction in the 3rd quarter

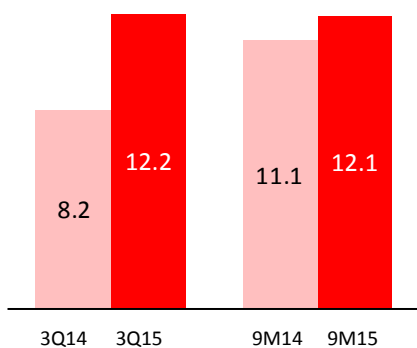
Return metrics

Group ROE and ROTE²

ROE (%)



ROTE (%)



Group RORWA¹¹

| | 3Q14 | 3Q15 | 9M14 | 9M15 |
|--|------|------|------|------|
| Reported | 1.5% | 2.1% | 1.9% | 2.2% |
| Adjusted ¹² | 2.2% | 1.9% | 2.2% | 2.1% |
| Adjusted excl. associates and run-off portfolios ¹³ | 2.4% | 2.0% | 2.5% | 2.3% |

Adjusted RoRWA by global business (ex associates)

| | 3Q14 | 3Q15 | 9M14 | 9M15 | 2017 Target |
|--------------------------|------|------|------|------|-------------|
| Principal RBWM | 5.2% | 3.6% | 5.1% | 4.6% | 6.3% |
| CMB | 2.3% | 2.2% | 2.6% | 2.3% | 2.7% |
| Client-facing GB&M & BSM | 1.7% | 1.9% | 2.0% | 2.2% | 2.7% |
| GPB ¹⁰ | 3.9% | 1.6% | 3.4% | 2.6% | 4.3% |

Progress on our actions to capture value

| | Actions | Key achievements | Highlights |
|------------------------------|---|---|--|
| Re-size and simplify | 1 Reduce Group RWAs by c.USD290bn | <ul style="list-style-type: none"> USD32bn reduction during the third quarter, notably in GB&M | <p>1 RWAs reduced by USD32bn in the quarter; USD82bn YTD</p> <p>290 (Investor Update target) → (15) (FX translation) → 275 (Re-baselined target)</p> <p>3Q15 reduction (dark blue), 1H15 reduction (light blue)</p> <p>30% of 2017 target achieved</p> |
| | 2 Optimise global network | <ul style="list-style-type: none"> Disposal of our operations in Brazil¹⁴ on track | |
| | 3 Rebuild NAFTA profitability | <ul style="list-style-type: none"> Increased PBT in 9M15 in both the US Principal (85%) and Mexico (95%) compared with 9M14 | |
| | 4 Set up UK ring-fenced bank | <ul style="list-style-type: none"> Implementation in progress | |
| Re-deploy capital and invest | 5 Deliver USD4.5-5.0bn cost savings | <ul style="list-style-type: none"> Lower adjusted costs vs. 2Q15, down USD0.4bn; traction on cost programmes | <p>5 Achievements to date</p> <ul style="list-style-type: none"> Reduced the number of software applications by c. 100 USD130m annualised procurement saves realised Automation of manual payments 1/3 complete Delivery of digital data capabilities, e.g. Apple Pay, Click to Chat, and Branch tablets in the UK, and HSBC.net mobile in more than 30 countries |
| | 6 Deliver growth above GDP from international network | <ul style="list-style-type: none"> Transaction banking revenue up 5% to USD11.5bn compared with 9M14 Growth driven by our FX and PCM businesses | |
| | 7 Investments in Asia – prioritise and accelerate investments | <ul style="list-style-type: none"> 6% revenue growth in ASEAN compared with 9M14 5% growth in insurance manufacturing new business premium revenue (annualised) | |
| | 8 RMB internationalisation | <ul style="list-style-type: none"> 8% revenue growth compared with 9M14 Maintained #1 ranking in offshore RMB bond underwriter league table | |
| | 9 Global standards | <ul style="list-style-type: none"> Implementation in progress | |
| | 10 Headquarters review | <ul style="list-style-type: none"> Review in progress | |

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of human ambition

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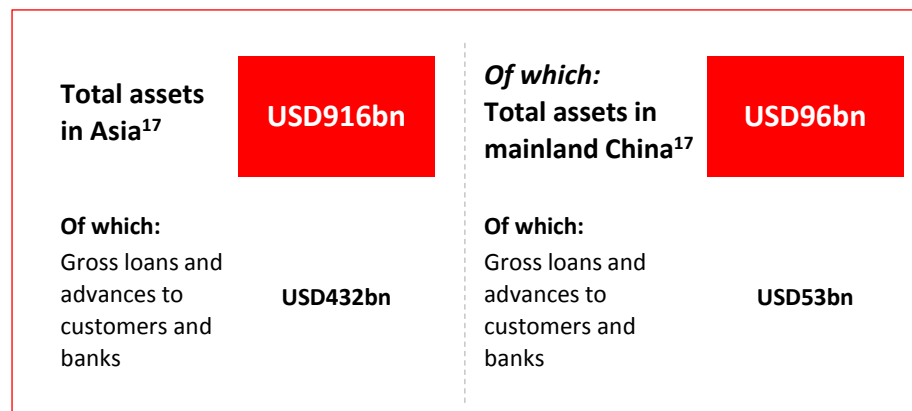
Progress on our actions to capture value – YTD progress

| Actions | | Key metrics | 30 Sept 2015 performance | | Investor Update Target | |
|------------------------------|-----------|--|--|---|---|---|
| Re-size and simplify | 1 | Reduce Group RWAs by c.USD290bn | RWA initiatives Business growth RWAs Total RWAs as at 30 Sep-15 GB&M Client-facing & Legacy RWAs % of Group as at 30 Sep-15 | 9M15, USDbn (82) 27 1,144 37% | vs. Dec-14 (82) 27 (6)% (2)ppt | <ul style="list-style-type: none"> Group RWA reduction USD290bn GB&M <1/3 of Group RWA |
| | 2 | Optimise global network | Network to support global connectivity | Disposal of our operations in Brazil on track | | Reduced footprint |
| | 3 | Rebuild NAFTA profitability | US Principal PBT (Year-to-date) Mexico PBT (Year-to-date) | 9M15, USDbn 0.5 0.2 | vs. 9M14, % 85% 95% | <ul style="list-style-type: none"> Mexico PBT c. USD0.6bn US PBT c.USD2bn |
| | 4 | Set up UK ring-fenced bank | Completed by 2018 | Implementation in progress | | Completed by 2018 |
| | 5 | Deliver USD4.5-5.0bn cost savings | Total 3Q15 QTD adjusted costs (excluding Brazil and Turkey) RTB back office : RTB front office : Change the bank ratio ¹⁵ Costs to achieve Total FTE | 3Q15, USDbn 7.9 | Rebaselined Investor Update quarterly run-rate 7.6 | <ul style="list-style-type: none"> 2017 exit rate = 2014 operating expenses USD4.5-5.0bn cost savings |
| Re-deploy capital and invest | 6 | Deliver growth above GDP from international network | Transaction banking revenue Revenue Synergies | 9M15, USDbn 11.5 8.9 | vs. 9M14, % 5% 6% | Revenue growth of international network above GDP |
| | 7 | Investments in Asia | ASEAN revenue growth Insurance manufacturing new business premiums (annualised) | 9M15, USDbn 2.5 1.6 | vs. 9M14, % 6% 5% | <ul style="list-style-type: none"> Market share gains c.10% growth p.a. AuM in Asia |
| | 8 | RMB internationalisation | RMBI revenue | 9M15, USDbn 1.4 | vs. 9M14, % 8% | USD2-2.5bn revenue |
| | 9 | Global standards | Completed | Implementation in progress | | Completed |
| | 10 | Headquarters review | Completed by year-end | Review in progress | | Completed by year-end |

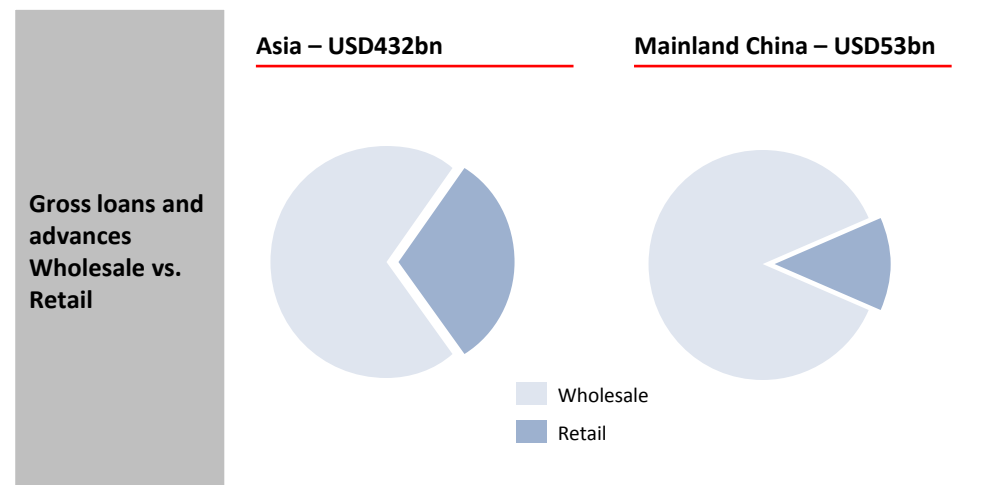
Our business in mainland China

Exposure focused on leading international companies and selected Tier 1 banks

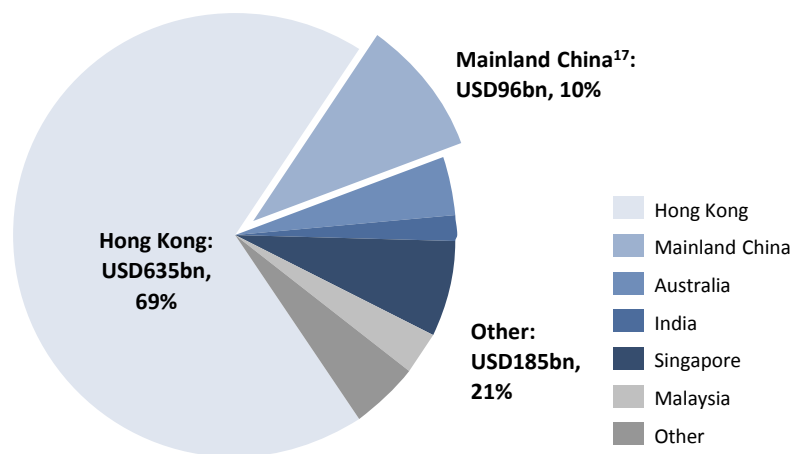
Total assets in Asia¹⁶ as at 30 Sep 15 (USDbn)



Loans and advances to customers and banks



Asia total assets by country of booking



Key characteristics of our wholesale loans and advances in mainland China

- Over 70% of our lending is to investment grade counterparties with < 2% of lending to the equivalent of B- or lower rated counterparties
- Over 80% of our corporate exposure falls due in less than 1 year
- Our corporate lending is diversified, with real estate the largest sector comprising over 20% of the corporate book
- No exposure to Trust Companies and Local Government Financing Vehicles

Appendix

Currency translation and significant items

| USDm | 9M14 | 9M15 | 3Q14 | 3Q15 |
|--|----------------|----------------|----------------|--------------|
| Currency translation | 828 | | 215 | |
| Significant items: | | | | |
| Revenue | | | | |
| Gain / (Loss) on sale of several tranches of real estate secured accounts in the US | 76 | - | 91 | (17) |
| Gain on the partial sale of shareholding in Industrial Bank | - | 1,372 | - | - |
| (Adverse) / Favourable debit valuation adjustment on derivative contracts | (278) | 416 | (123) | 251 |
| Adverse fair value movements on non-qualifying hedges | (341) | (353) | (19) | (308) |
| (Provisions) / releases arising from the ongoing review of compliance with the Consumer Credit Act in the UK | (580) | 2 | (213) | (10) |
| Own credit spread | (15) | 1,775 | 200 | 1,125 |
| Gain on sale of shareholding in Bank of Shanghai | 428 | - | - | - |
| Impairment of our investment in Industrial Bank | (271) | - | (271) | - |
| Acquisition, disposals and dilutions | 36 | - | 5 | - |
| | (945) | 3,212 | (330) | 1,041 |
| Loan impairment charges and other credit risk provisions | - | - | 2 | - |
| Operating expenses | | | | |
| Charge in relation to settlement agreement with Federal Housing Finance Authority | (550) | - | (550) | - |
| Regulatory provisions in GPB | - | (154) | - | (7) |
| Settlements and provisions in connection with legal matters | (378) | (1,279) | (378) | (135) |
| UK customer redress programmes | (935) | (204) | (701) | (67) |
| Restructuring and other related costs | (150) | (117) | (68) | - |
| Costs to achieve | | (165) | | (165) |
| Costs to establish UK ring-fenced bank | | (28) | | (28) |
| Brazil disposal costs | - | (54) | - | (54) |
| Acquisition, disposals and dilutions | (40) | - | (5) | - |
| | (2,053) | (2,001) | (1,702) | (456) |
| Currency translation and significant items | (2,170) | 1,211 | (1,815) | 585 |

Appendix

Reported Consolidated Income statement

| USDm | 9M14 | 9M15 | 3Q14 | 3Q15 |
|---|---------------|---------------|---------------|---------------|
| Net interest income | 26,158 | 24,472 | 8,753 | 8,028 |
| Net fee income | 12,239 | 11,234 | 4,062 | 3,509 |
| Net trading income | 5,570 | 7,315 | 2,295 | 2,742 |
| Net income from financial instruments designated at fair value | 1,916 | 1,782 | 256 | (884) |
| Gains less losses from financial investments | 915 | 2,048 | (31) | 174 |
| Dividend income | 289 | 96 | 201 | 28 |
| Net insurance premium income | 9,316 | 8,100 | 3,179 | 2,493 |
| Other operating income | 861 | 1,107 | 323 | 271 |
| Total operating income | 57,264 | 56,154 | 19,038 | 16,361 |
| Net insurance claims and benefits paid and movements in liabilities to policyholders | (10,322) | (8,126) | (3,263) | (1,276) |
| Net operating income before loan impairment charges and other credit risk provisions | 46,942 | 48,028 | 15,775 | 15,085 |
| Loan impairment charges and other credit risk provisions | (2,601) | (2,077) | (760) | (638) |
| Net operating income | 44,341 | 45,951 | 15,015 | 14,447 |
| Total operating expenses | (29,357) | (28,226) | (11,091) | (9,039) |
| Operating profit | 14,984 | 17,725 | 3,924 | 5,408 |
| Share of profit in associates and joint ventures | 1,965 | 2,000 | 685 | 689 |
| Profit before tax | 16,949 | 19,725 | 4,609 | 6,097 |
| Cost efficiency ratio % | 62.5 | 58.8 | 70.3 | 59.9 |

Appendix

Reported Consolidated Balance Sheet

| USDm | At 31 Dec 2014 | At 30 Jun 2015 | At 30 Sep 2015 |
|---|-----------------------|-----------------------|-----------------------|
| Assets | | | |
| Cash and balances at central banks | 129,957 | 144,324 | 126,324 |
| Trading assets | 304,193 | 283,138 | 264,608 |
| Financial assets designated at fair value | 29,037 | 25,168 | 22,793 |
| Derivatives | 345,008 | 296,942 | 327,257 |
| Loans and advances to banks | 112,149 | 109,405 | 119,751 |
| Loans and advances to customers | 974,660 | 953,985 | 927,428 |
| Reverse repurchase agreements – non trading | 161,713 | 149,384 | 164,009 |
| Financial investments | 415,467 | 404,682 | 414,562 |
| Assets held for sale | 7,647 | 60,929 | 45,451 |
| Other assets | 154,308 | 143,756 | 136,340 |
| Total assets | 2,634,139 | 2,571,713 | 2,548,523 |
| Liabilities | | | |
| Deposits by banks | 77,426 | 71,140 | 77,880 |
| Customer accounts | 1,350,642 | 1,335,800 | 1,310,643 |
| Repurchase agreements – non trading | 107,432 | 81,506 | 83,904 |
| Trading liabilities | 190,572 | 181,435 | 180,015 |
| Financial liabilities designated at fair value | 76,153 | 69,485 | 67,712 |
| Derivatives | 340,669 | 289,984 | 319,171 |
| Debt securities in issue | 95,947 | 102,656 | 96,111 |
| Liabilities under insurance contracts | 73,861 | 69,494 | 69,351 |
| Liabilities of disposal groups held for sale | 6,934 | 53,226 | 35,961 |
| Other liabilities | 114,525 | 115,605 | 106,346 |
| Total liabilities | 2,434,161 | 2,370,331 | 2,347,094 |
| Equity | | | |
| Total shareholders' equity | 190,447 | 192,427 | 192,495 |
| Non-controlling interests | 9,531 | 8,955 | 8,934 |
| Total equity | 199,978 | 201,382 | 201,429 |
| Total equity and liabilities | 2,634,139 | 2,571,713 | 2,548,523 |
| Net assets value per share (NAV) - USD | 9.28 | 9.11 | 9.00 |
| Tangible assets value per share (TNAV) - USD | 7.91 | 7.81 | 7.73 |

Appendix

Footnotes

1. From 1 January 2015 the CRD IV transitional CET1 and end-point CET1 capital ratios became aligned for HSBC Holdings plc due to recognition of unrealised gains on investment property and available-for-sale securities
 2. Return on average ordinary shareholders' equity (ROE) and Return on average tangible equity (ROTE) are calculated on an annualised basis
 3. Includes revenue recorded in Intersegment
 4. Effect of translating the 2014 adjusted operating expenses to 1Q15 foreign exchange rates as per Investor Update 2015
 5. Effect of translating the Investor Update target to average 3Q15 foreign exchange rates
 6. Includes costs recorded in Intersegment
 7. Quarterly LICs are presented on an adjusted basis. Reported quarterly LICs are as follows: 1Q14 USD798m; 2Q14 USD1,043m; 3Q14 USD760m; 4Q14 1,250m; 1Q15 USD570m; 2Q15 USD869m
 8. This includes dividends on ordinary shares, quarterly dividends on preference shares and coupons on capital securities, classified as equity
 9. Dividends net of scrip includes the foreseeable interim dividends net of planned scrip take-up and an update for the second interim dividend scrip take-up which was lower than plan
 10. Due to the nature of its business, GPB measures the performance of its business through other measures including Net New Money and Return on Assets
 11. RoRWAs are calculated on an annualised basis and using average RWAs based on CRD IV basis for all periods from 1 January 2014 and on a Basel 2.5 basis for 31 December 2013
 12. Adjusted RoRWAs are calculated using annualised adjusted PBT and reported RWAs at constant currency, adjusted for significant items
 13. Run-off portfolios mainly comprise GB&M Legacy Credit and RBWM US run-off portfolios
 14. We plan to maintain a corporate presence in Brazil to serve our international clients
 15. 2017 target excludes the bank levy which was assumed to be 5% of 2017 exit adjusted costs
 16. On a geographic basis
 17. Includes intercompany assets and investment in Bocom
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Appendix

Important notice and forward-looking statements

Important notice

The information set out in this presentation and subsequent discussion does not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any recommendation in respect of such securities or instruments.

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This presentation contains non-GAAP financial information. The primary non-GAAP financial measure we use is ‘adjusted performance’ which is computed by adjusting reported results for the period-on-period effects of foreign currency translation differences and significant items which distort period-on-period comparisons. Significant items are those items which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the underlying trends in the business. Reconciliations between non-GAAP financial measurements and the most directly comparable measures under GAAP are provided in the 3Q15 Earnings Release and the Reconciliations of Non-GAAP Financial Measures document which are both available at www.hsbc.com.



Cover images: HSBC – then and now

It is 150 years since HSBC was founded in Hong Kong to finance trade between Asia and Europe. Much has changed since then, as our cover photos demonstrate. The top left photo shows Hong Kong harbour, with the HSBC office (extreme left) a few years after it was established in 1865. The bottom left image shows the harbour today, with the HSBC building fifth from left (partially hidden).

Hong Kong has been transformed both physically and economically, from trading outpost to international financial centre. HSBC has mirrored Hong Kong's rise to global prominence, growing from a small regional trading bank into one of the world's largest banking and financial services organisations today.

HSBC's Hong Kong office is still at 1 Queen's Road Central, as it was in 1865. The current HSBC building is the fourth to occupy the site, but the values on which the bank was founded remain the same. HSBC still aims to be where the growth is, connecting customers to opportunities, enabling businesses to thrive and economies to prosper, and helping people to fulfil their hopes and realise their ambitions.

We are proud to have served our customers with distinction for 150 years.

Photographs: (top) HSBC Archives; (bottom) Matthew Mawson

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